Labour Market

NOTES ■ December 2012

Alberta adds jobs for fifth straight month, unemployment rate continues to drop

Alberta

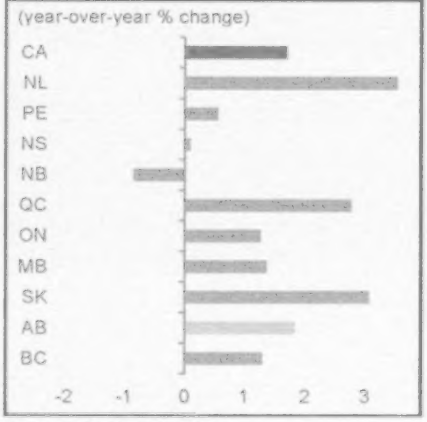
- Largest job gain in seven months. Alberta added an impressive 10,100 jobs in November, following a gain of 5,000 in October. This was the fifth consecutive month of job increases and the ninth increase this year. November's improvement was largely due to new private sector jobs (6,300) and part-time positions (10,000). Alberta has gained 38,900 jobs since November 2011, representing a 1.8% increase. On a year-to-date basis, Alberta leads the country with a 2.7% increase.
- Unemployment rate tumbles to a four-year low. Alberta's unemployment rate decreased 0.3 percentage points to 4.2% in November, the lowest rate in the country. The unemployment rate sits well below the national average of 7.2%.
- Accommodation and food services lead monthly job gains. The employment increase was led by the accommodation and food services industry with a gain of 7,400. The other big gain came from the health care and social assistance industry (6,500). The services sector was responsible for November's employment increase, adding 24,900 jobs. On the other hand, the goods sector lost 14,800 jobs, mainly due to a decline of 11,100 positions in the construction industry.
- Weekly earnings edge back in September. Average weekly earnings decreased 0.3% in September, the first decrease in four months. Alberta employees earned on average $1,085 per week in September, $183 higher than the national average. Earnings were up 4.0% compared with the same month last year.

Canada

- Canada posts impressive job increase. Canada gained 59,300 jobs in November; however, three provinces posted job losses. Employment growth was concentrated in Ontario (32,000), Quebec (18,200) and Alberta (10,100), while British Columbia (-4,700) and Nova Scotia (-2,600) posted the largest losses. Canada has added 187,100 jobs (1.1%) year-to-date.
- Unemployment rate drops. The Canadian unemployment rate decreased for the first time since June. The rate declined 0.2 percentage points from the previous month to 7.2%.
- Weekly earnings dip. Canadian average weekly earnings were $902 in September, down 0.5% from August but up 3.4% compared with the same month last year.

For definitions of the data indicators discussed in this publication, please see the second page of August's Labour Market Notes

Employment Growth by Province, November 2012 vs. November 2011



Source: Statistics Canada

Alberta Labour Market Indicators

Indicator	November or Latest*
Employment	2,171,100
month-over-month change	10,100
year-over-year % change	1.8%
Alberta Unemployment Rate (UR)	4.2%
Edmonton UR**	3.9%
Calgary UR**	4.4%
Participation Rate	73.0%
Average Weekly Earnings (AWE)	$1,085.22
year-over-year % change	4.0%
Average Hourly Wage	$27.45
year-over-year % change	4.9%
Job Vacancy Rate**	3.3%

Source: Statistics Canada

* All data is from the Labour Force Survey for November except AWE, which is from the September Survey of Employment, Payrolls and Hours (SEPH), and the job vacancy rate which is from the August SEPH.

** This indicator is calculated as a three-month moving average.

Alberta's youth labour market in context

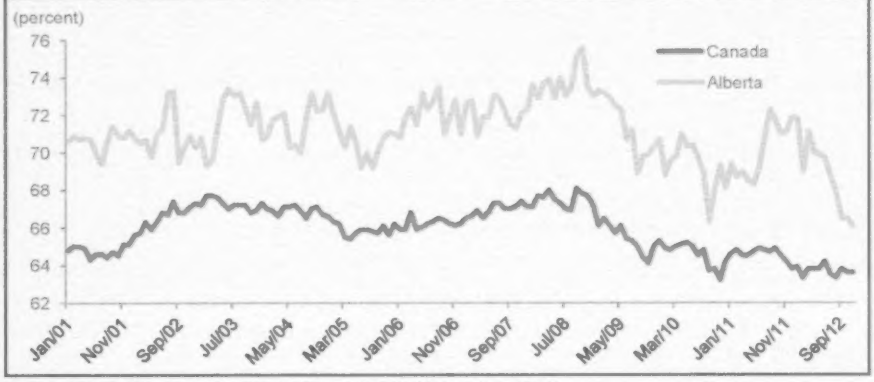
Youth labour market conditions remain weak across the developed world; however, the labour market for young Albertans continues to perform relatively well. The unemployment rate has dropped significantly since the recession to a nation-low of 8.4%, and there has been some modest job growth over the last few years. However, compared with their older peers, Alberta's surveyed youth have seen very little job growth so far this year. It is important to note that since youth (ages 15 to 24) represent a small portion of the workforce, some of these movements could be due to statistical sampling error. Specifically, there are worries that surveyors are struggling to contact youth as they move from land phone lines to cell phones.

In the U.S., the youth unemployment rate is hovering at a 20 year high of 17%. Moreover, employment among this cohort remains 12% below its pre-recession peak. Across Europe, youth unemployment rates have increased sharply. Rates in Greece and Spain have more than doubled over the past four years, to over 50%. The Canadian youth unemployment rate is just slightly below its recessionary peak at 14.0% and year-over-year job growth has been negative in each of the last 12 months. One caution when interpreting this data: unemployment rates are not directly comparable across countries due to the use of different definitions and methodology.

Chart 1: Youth (ages 15 to 24) Unemployment Rate

Source: Statistics Canada. Last observation is November 2012.

Chart 2: Youth (ages 15 to 24) Participation Rate



Source: Statistics Canada. Last observation is November 2012.

Job growth in Alberta is virtually flat for youth

So far this year, employment growth for Alberta youth is down slightly (0.5%), while the rest of working age Albertans have seen strong growth (3.3%). National numbers are even weaker, with Canadian youth seeing a year-to-date drop of employment of -1.8% compared with a 1.6% gain for the rest of the workforce.

Alberta's youth unemployment rate remains lowest in Canada

Alberta's youth unemployment rate has fallen sharply since the recession, and remains the lowest in Canada. In recent months, however, the youth unemployment rate has edged up, even as the 25 years of age and older rate has continued to trend lower. In contrast, Canada's youth unemployment rate has been stuck near recessionary levels for the last few years (Chart 1).

Less youth participating in the workforce

Since last summer the Alberta youth participation rate (employed and unemployed as a share of the population) has dropped significantly despite a strong overall labour market. This mirrors a downward movement in the national youth participation rate (Chart 2). Many of these youth are likely returning to school. Indeed, recent studies by Scotiabank, TD Bank and Statistics Canada found that the drop in Canada's youth participation coincides with a sharp rise in young people enrolling in post-secondary education.

Conclusion

Alberta's youth labour market remains relatively healthy compared with the rest of Canada, and other developed countries. However, youth job growth has been weaker compared with older age groups and the youth unemployment rate has moved higher in recent months. Youth participation rates have also declined in Alberta and in the rest of Canada, which partly reflects a movement into post-secondary education.

Contact:
Alexander Gainer 780.638.3238